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# Brexit and the issues facing UK higher education

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**UK higher education is about to experience a period of turbulence, as the consequences of the UK leaving the European Union (EU) become clearer. Higher education institutions are bracing themselves for what will no doubt be a period of substantial change, uncertainty and challenge, but also opportunity. This briefing outlines some of the consequences of Brexit for UK higher education institutions.**

## ▪ Why will Brexit affect the UK higher education landscape?

Brexit will affect UK higher education in a major and pervasive way because over the last half century EU institutions have contributed to shaping an open European area for higher learning and research in which the UK has become deeply involved. This has translated itself over time into EU law. Articles 165 and 166 of the Treaty on the Functioning of the European Union give power to the EU to operate as a major player in supplementing and supporting EU member states' higher education and vocational training policy. With regard to research and technological development, Articles 179-190 give the EU a steering role in adopting and implementing multiannual framework programmes.

Access to the multi-billion EU framework programmes implies EU membership, although full association to Horizon 2020 is possible for non-EU countries. However, association is part of the EU's 'soft power' portfolio, targeting mainly EU candidate countries and the development of higher education in the EU's neighbouring partner countries participating in the European Neighbourhood Policy (ENP). The only other associated states are Iceland and Norway, both part of the European Economic Area, and Switzerland.

The uncertainty over future EU research funds calls for a rethinking of UK research and development (R&D) investment. It is a new starting point for the government's goal of ensuring that investment in R&D benefits all parts of the UK, as enshrined in

the 2017 'Building our Industrial Strategy' Green Paper. Brexit requires UK universities to carve for themselves a more proactive role at the centre of new free trade agreements in the competitive higher education market. This will require not only a cross-government strategy, but also universities to position themselves as gateways to their regions, through greater public engagement and links with local business and industry, notably through expanding mechanisms such as Higher Education Innovation Funding and Knowledge Transfer Partnerships. This will increase UK universities' clout in future trade arrangements, while maximising their potential benefits.

## ▪ What is at stake for UK universities?

### EU research and innovation funds

Horizon 2020 is the only international research and innovation programme of its scale in the world, with a budget of roughly €80 billion for 2014-20. However, this is only the tip of the iceberg. Net sums do not take into account the added value of collaboration, reputation, networking, joint use of research facilities and the leverage effect of EU funding. The EU also provides funds through two sources whose relationship with higher education and research is not always well understood, namely the European Structural and Investment Funds, in particular via the European Regional Development Fund (ERDF), and loans from the European Investment Bank (EIB).

Estimates for the previous programming period (2007-13) suggest that the seventh Framework Programme and the ERDF have together provided

UK organisations with roughly €9 billion. Under the current programming period, these two sources have provided more than 10 per cent of total government support for UK research and innovation. Further, it has been estimated that the EIB has offered low-interest loans for research and innovation-related activities to UK organisations for an amount equivalent to €5.9 billion between 2007-16, including €2.8 billion for universities and knowledge transfer services.

### **Leverage effect of EU funding**

While direct grants from EU sources are understood, there is less awareness of the leverage effect. EU funds are frequently matched with significant amounts from public local, regional, or national authorities and/or private investors. For example, an EIB loan agreement to finance a research and innovation scheme often represents an official endorsement of the proposal. While EIB loans can cover up to 50 per cent of the cost of the proposal, on average the EIB share is about one third of the total funding, meaning that two thirds of the costs are matched by additional investments.

### **Erasmus+**

Beyond research and innovation funding, Erasmus+, the EU's all-encompassing programme to support education, training, youth and sport in Europe (2014-20), with an allocated budget of €14.7 billion, provides a successful framework for student and staff mobility, and offers opportunities for UK universities to increase their connections and competitiveness. The enrichment of the overall student experience that is provided by Erasmus+ is difficult to quantify but very real, as is the added value of better language skills. Alternative mobility schemes will have to be devised, and while 'going global' sounds appealing, it should not be assumed that the demand exists within the UK-based student body. Intra-European mobility remains a privilege for only a minority because of the associated costs, and opportunities in Australia, New Zealand and North America will be more expensive (and also in general fail to offer opportunities for language learning).

### **The free movement of staff and students**

The status of EU staff and students in the UK must be clarified to avoid uncertainty and to ensure enough time to plan ahead. How EU staff and students are treated will have a knock-on effect on

international staff and students' attitudes towards studying and working in the UK. Uncertainty, secrecy and restricted access will not help build a welcoming and global image for UK higher education. Polls suggest that 36 per cent of prospective international students felt the referendum result made them less likely to study in the UK (Hobson's International Student Survey). Meanwhile, according to a University and College Union survey, 42 per cent of all academics and 76 per cent of EU academics in the UK said they were now more likely to consider leaving the UK.

### ▪ **The research project**

CGHE's research project, 'Brexit, trade, migration and higher education' (part of The UK in a Changing Europe initiative), focuses on UK higher education institutions' perceptions of and responses to Brexit and associated challenges. The challenges include international student recruitment, attracting and retaining EU staff, research capacity, financial management and sustainability, risk management, data analysis, strategy and institutional decision-making in a difficult, unpredictable and fast-changing policy environment. The research will consist of institution-level case studies in a selected group of higher education institutions, representing sector differentiation in status, resources, levels of European engagement, as well as variations among the four UK nations. The project will provide a research-based platform for monitoring this fast-changing area and a forum for foregrounding fruitful strategies and solutions.

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